# GOVERNMENT OF INDIA
# COAL
# LOK SABHA

UNSTARRED QUESTION NO:4754
ANSWERED ON:09.05.2007
SUPPLY OF COAL TO CEMENT INDUSTRIES
Owaisi Shri Asaduddin

**Will the Minister of COAL be pleased to state:**

(a) whether as per the modified guidelines' Coal Companies will agree to supply coal to the Cement Industries upto 80 per cent of sanctioned long-term linkage quantity w.e.f. 1st Apri. 2006;

(b) if so, the details thereof;

(c) whether shortage of coal by 20 per cent will be met by the Cement Industries primarily through e-auctioning or through imports;

(d) if so, whether Andhra Pradesh has requested the Union Government to allow SCL 100 percent on long term linkage quantity to the cement units of Andhra Pradesh;

(e) if so, the details thereof; and

(f) the steps taken or proposed to be taken by the Union Government in this regard;

## Answer

THE MINISTER OF STATE IN THE MINISTRY COAL (DR. DASARI NARAYANA RAO)

(a)&(b): Yes, Sir. At present, Fuel Supply Agreements for Coal supply to Cement Industries are entered into by Coal Companies for 80% of their long term coal linkage.

(c): The Cement Companies are free to procure the shortfall quantity o f coal either through e-booking or import based on their preference, cost consideration / logistics etc.

(d) to (f): Yes, Sir, The Chief Minister of Andhra Pradesh had written to the then Union Minister of Coal for, inter alia, permitting SCCL to supply 100% of the long term coal linkage quantity. However, the Government of Andhra Pradesh was informed that, based on the decision arrived at in consultation with Cement Manufacture Association, coal supply to Cement Plants has been restricted to 80% of the long term coal linkage irrespective of the source of supply. Further, SCCL has reported that the balance 20% coal was supplied to cement industries at e-booking price to meet their demand during February/ March, 2007. The Ministry, however, informed SCCL that the present cap of 80% has been provided on supply of coal to Cement Consumers at a lesser level of the linkage so as to provide coal linkage to consumers awaiting long term coal linkage.